

# Risk Management

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CountyStat Meeting #1  
March 6, 2009

# CountyStat Principles

- **Require Data-Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



# Agenda

- **Welcome and Introductions**
- **Introduction to Risk Management and Worker's Compensation**
- **Variables to be Tracked**
- **Baseline Data for Departments**
  - Department of Liquor Control
  - Department of Correction and Rehabilitation
  - Montgomery County Fire and Rescue Service
  - Montgomery County Police Department
  - Department of General Services
  - Department of Transportation
- **Strategies for Reducing Worker's Compensation**
- **Wrap-up**



# Meeting Goal

- **Establish baseline performance with respect to worker's compensation and identify performance goals**



# Risk Management and Worker's Compensation

- **Montgomery County self-insures for worker's compensation**
- **The performance plan for the Department of Finance includes two headline measures on this topic**
  - Cost per \$100 of payroll
  - Number of cases resulting in lost work time
- **The performance plan for the Office of the County Attorney include one headline measure on this topic**
  - Cost per \$100 of payroll

Cost of Worker's Compensation Claims  
Paid by Participating Departments

| Fiscal Year | Cost         |
|-------------|--------------|
| FY04        | \$9,010,000  |
| FY05        | \$9,992,000  |
| FY06        | \$9,890,000  |
| FY07        | \$10,699,000 |
| FY08        | \$13,963,000 |
| FY09*       | \$7,993,000  |

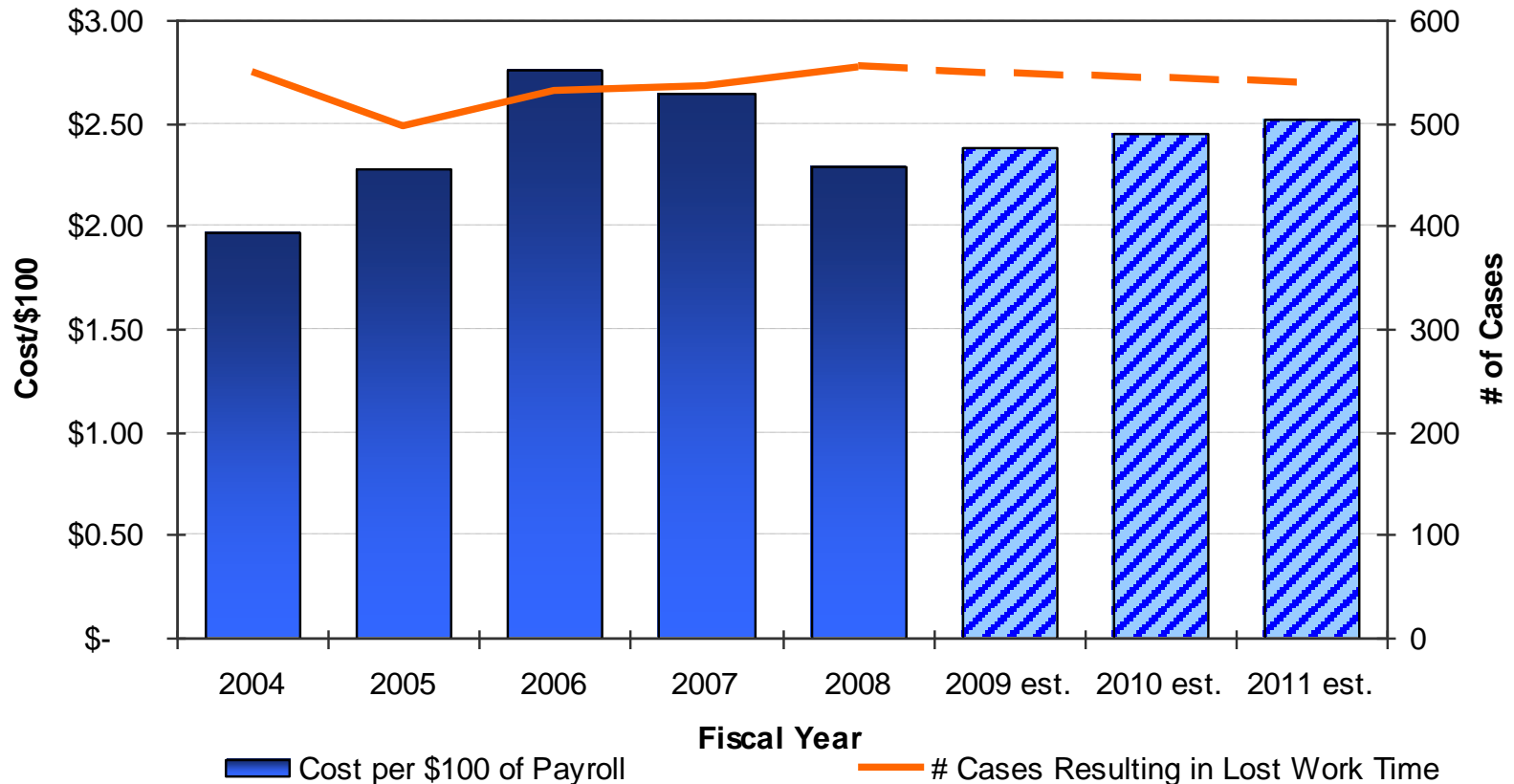
\* Data for FY09 is as of 12/31/2008.



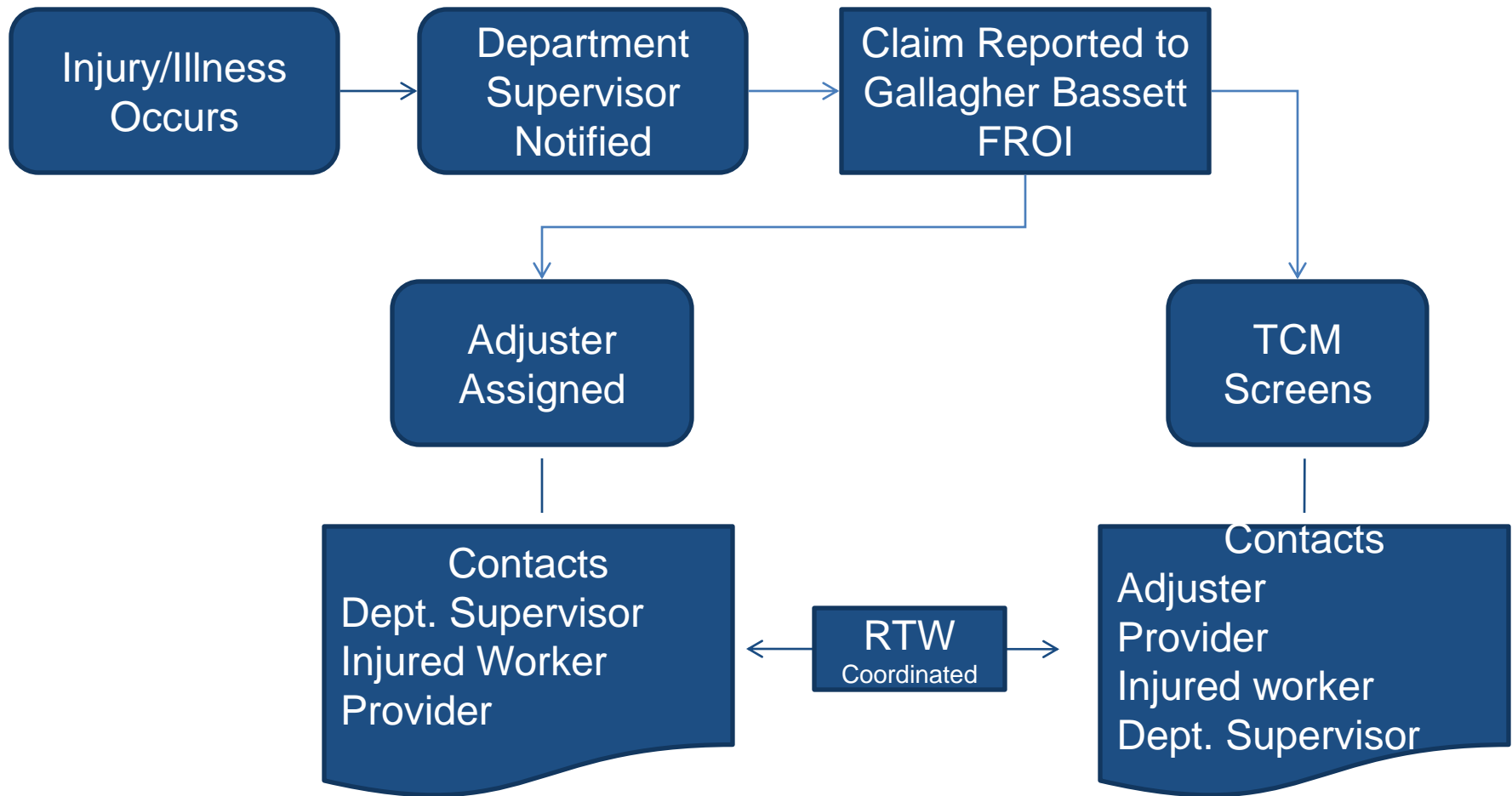
## Measure 7: Worker's Comp—Cost per \$100 of Payroll

## Measure 8: # of Worker's Comp Cases Resulting in Lost Work Time

### Finance: Risk Management - Safety Section Worker's Compensation



# The Worker's Compensation Process



*FROI = First Report of Injury*

*TCM = Telephonic Case Management*

*RTW = Return to Work*

*MCSIP WC – TCM Workflow*

*Diagram provided by Finance-Risk Management*



## Comparison of Projected Cost per \$100 of Payroll to Industry Standard

| Department   | Standard* | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|--------------|-----------|------|------|------|------|------|------|
| <b>MCFRS</b> | 15.30     | 5.68 | 6.36 | 7.05 | 6.48 | 5.54 | 6.40 |
| <b>MCPD</b>  | 3.50      | 2.93 | 3.35 | 4.23 | 3.91 | 3.70 | 4.59 |
| <b>DOCR</b>  | 3.50      | 1.80 | 2.21 | 2.75 | 2.70 | 3.28 | 3.21 |
| <b>DLC</b>   | 5.33      | 2.78 | 2.99 | 3.67 | 3.23 | 2.68 | 2.80 |
| <b>DPWT</b>  | 8.73      | 1.74 | 1.80 | 2.20 | 2.28 | 2.48 |      |
| <b>DOT</b>   | 7.02      |      |      |      |      |      | 3.21 |
| <b>DGS</b>   | 3.64      |      |      |      |      |      | 2.11 |
| <b>Other</b> | 0.28      | 0.34 | 0.39 | 0.53 | 0.39 | 0.32 | 0.32 |



\* Standard is calculated as the average of two insurance company rates and the Maryland Injured Workers Insurance Fund (IWIF) rate



## Comparison of Worker's Compensation Costs to Other Jurisdictions

| County or Jurisdiction | Worker's Compensation Cost Per \$100 of Payroll |
|------------------------|---|
| City of Baltimore      | \$3.93  |
| Anne Arundel County    | \$3.38  |
| Montgomery County      | \$2.55  |
| Prince George's County | \$2.50*   |
| Howard County          | \$1.06  |

These are estimates. A full benchmark will be prepared for the next meeting.



\* *Rough estimate*

Risk Management #1

# Tracking Worker's Compensation

- **Because of its importance, CountyStat will track worker's compensation on a bi-annual basis**
  - Meetings held every six months to review Q1/Q2 performance and Q3/Q4 performance
- **Both number of cases and the cost of cases will be tracked**
- **Data will be collected by Finance-Risk Management for**
  - Department of Liquor Control
  - Department of Correction and Rehabilitation
  - Department of General Services
  - Department of Transportation
  - Montgomery County Fire and Rescue Service
  - Montgomery County Police Department
- **The Department of Finance and the Office of the County Attorney will play supporting roles**



# Variables to be Tracked

- **Variables will be tracked by quarter**
- **Variables will be tracked at the department level for the following departments**
  - DLC
  - DOCR
  - MCFRS
  - MCPD
- **Fleet will be tracked separately from the rest of DGS**
- **Transit will be tracked separately from the rest of DOT**

## **Number of cases**

- Total number of active cases
- Number of new claims
- Number of cases resulting in lost work time
- Number of new cases resulting in lost work time
- Average number of days lost per case
- Average duration of active cases (in days)

## **Cost**

- Total actual cost
- Projected cost per \$100 of payroll



# Department of Liquor Control: Safety and Risk Management Practices

- **Primary types of injuries**

- Strains; pulled muscles
- Slips, trips and falls
- Cuts and bumps
- Equipment-related injuries

- **Root causes of worker's compensation injuries**

- Repetitive heavy lifting of cases, kegs, pallets
- Use of equipment such as tow motor, skate-wheel conveyors, hand trucks; load bars
- Broken glass
- Inclement weather: snow, rain, wind
- Less-than-idea delivery conditions at customer stops (steps, ramps, sidewalks, small spaces)

- **Current safety practices**

- Periodic training seminars by Risk Management and DLC management
- Yearly Retail Store site inspections with Risk Management to identify and correct safety issues
- Frequent visits/inspections by regional store managers
- Safety signs posted in the warehouse and in the truck lot
- Weight belts, safety glasses and gloves provided to warehouse personnel
- Reimbursement for the required purchase of safety shoes for warehouse personnel



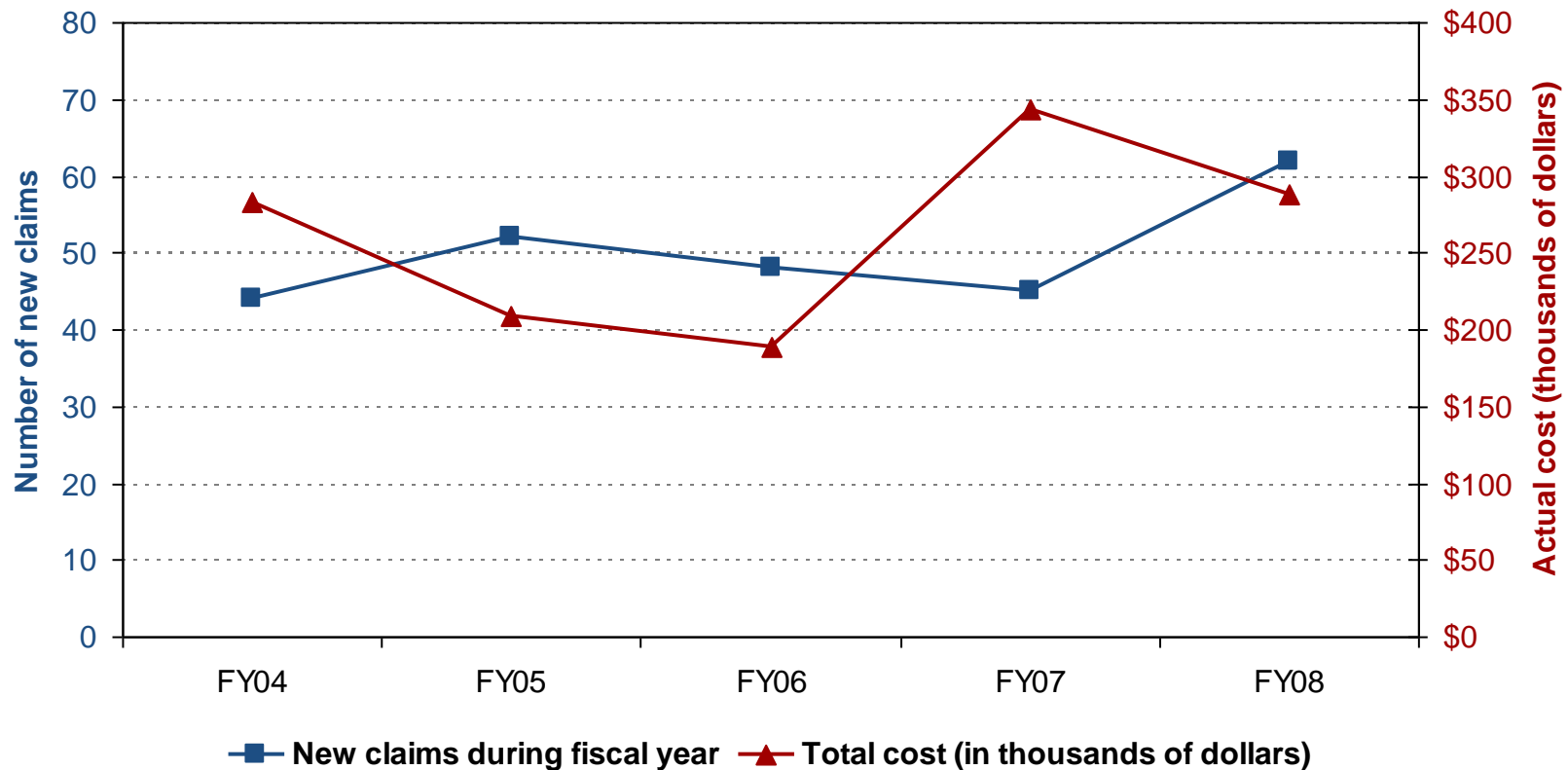
# Department of Liquor Control: Baseline Data

|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09* |
|---------------------------------------|------|------|------|------|------|-------|
| <b>Number of cases</b>                |      |      |      |      |      |       |
| New claims during fiscal year         | 44   | 52   | 48   | 45   | 62   | 42    |
| Total active cases at end of year     | 42   | 37   | 28   | 36   | 32   | 30    |
| Total resulting in lost work time     | 25   | 28   | 20   | 25   | 30   | 26    |
| New cases resulting in lost work time | 13   | 14   | 14   | 14   | 22   | 11    |
| Average days lost per closed claim    | 23   | 5    | 7    | 17   | 23   | 14    |
| Average duration of active cases      | 146  | 159  | 124  | 126  | 118  | 140   |
| <b>Cost</b>                           |      |      |      |      |      |       |
| Total cost (in thousands of dollars)  | 283  | 209  | 189  | 343  | 288  | 144   |
| Projected cost per \$100 of payroll   | 2.78 | 2.99 | 3.67 | 3.23 | 2.68 | 2.80  |



\* Data for FY09 is as of 12/31/2008.

## Department of Liquor Control: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 42  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$144k



# Department of Correction and Rehabilitation: Safety and Risk Management Practices

- **Primary types of injuries**
  - Slips and falls (unwitnessed) and injuries to extremities and backs while handling inmates
- **Root causes of worker's compensation injuries**
  - High risk environment, hands on requirements to break up fights and violence
- **Current safety practices**
  - Utilization of risk management to audit safety practices within the facility
  - Weekly/monthly safety and sanitation inspections
  - Weekly Wardens inspection to assure Senior Management Team views all operational areas of the physical plant
  - Monthly accident review committee which looks for trends or problems areas where the facility can be proactive
  - Return to work group which reviews all staff out and attempts to facilitate a timely return to duty
  - A fully trained Fire/Safety Team (7 members)
  - Accreditation Standards and standard operating procedures
  - Institutional Compliance Officer conducting routine unannounced spot check and compliance audits



# Department of Correction and Rehabilitation: Baseline Data

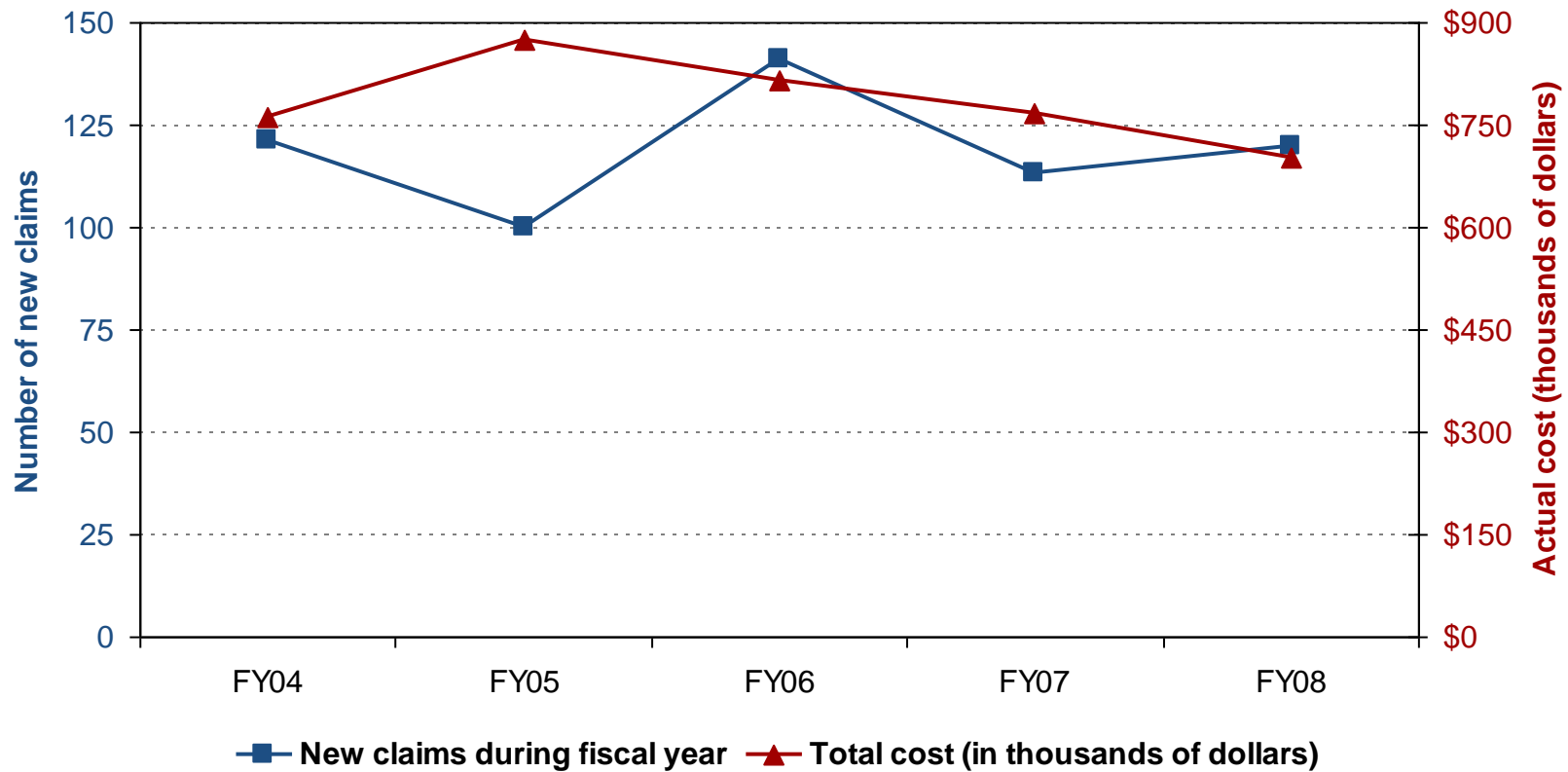
|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---------------------------------------|------|------|------|------|------|------|
| <b>Number of cases</b>                |      |      |      |      |      |      |
| New claims during fiscal year         | 121  | 100  | 141  | 113  | 120  | 51   |
| Total active cases at end of year     | 117  | 77   | 101  | 73   | 83   | 81   |
| Total resulting in lost work time     | 25   | 67   | 78   | 53   | 73   | 77   |
| New cases resulting in lost work time | 35   | 33   | 45   | 25   | 40   | 18   |
| Average days lost per closed claim    | 29   | 18   | 22   | 3    | 3    | 7    |
| Average duration of active cases      | 185  | 145  | 149  | 127  | 110  | 166  |
| <b>Cost</b>                           |      |      |      |      |      |      |
| Total cost (in thousands of dollars)  | 760  | 875  | 816  | 768  | 702  | 341  |
| Projected cost per \$100 of payroll   | 1.80 | 2.21 | 2.75 | 2.70 | 3.28 | 3.21 |



\* Data for FY09 is as of 12/31/2008.



## Department of Correction and Rehabilitation: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 51  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$341k



# Montgomery County Fire and Rescue Service: Safety and Risk Management Practices

- **Primary types of injuries**
  - Sprain/Strain; Contagious/Infectious Disease; Bruise/Contusions; Cuts/Scratch/lacerations/Punctures; Cardiac Related; Irritation; Foreign substance; Thermal Burns; Other
- **Root causes of workers' compensation injuries**
  - Communications; Equipment; Human Factors; Management Systems; personal Performance; Procedures; Supervision; Training; Other
- **Current safety practices**
  - 5 personnel assigned to the Safety Section-1 person on duty 24 hours
  - Provide Safety Officer on all major incidents
  - Data collection for injuries & collisions via Risk Management Accountability Program (RMAP)
  - Investigate all injuries & collisions
  - Gear & Station/Facility Inspections
  - Safety work rules
  - Participate in National Fallen Fire Fighters 16 Life Safety Initiatives
  - Participate in National Firefighter Near-Miss Reporting Program
  - Significant Injury/Death Investigations



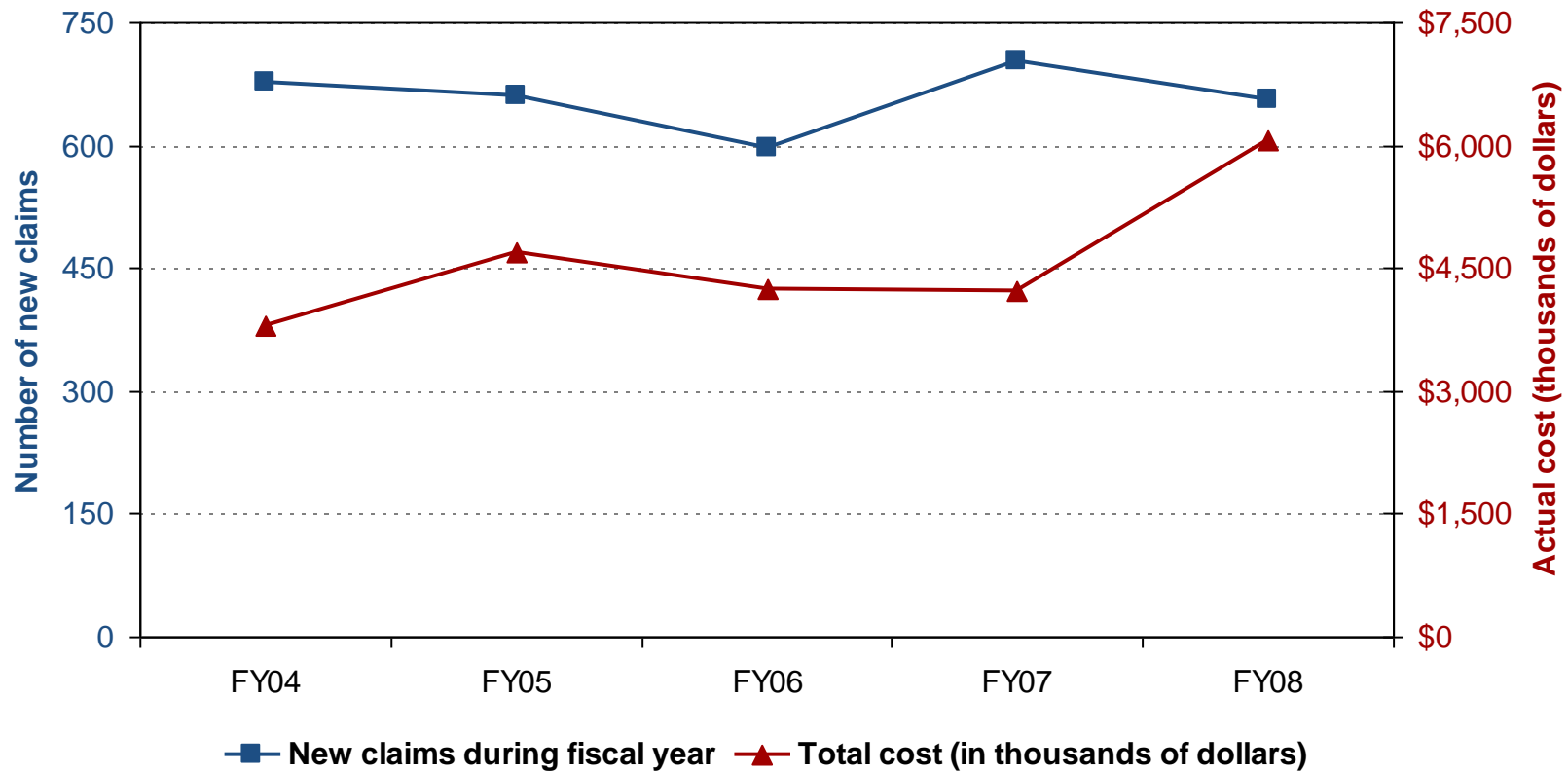
# Montgomery County Fire and Rescue Service: Baseline Data

|                                       | FY04  | FY05  | FY06  | FY07  | FY08  | FY09  |
|---------------------------------------|-------|-------|-------|-------|-------|-------|
| <b>Number of cases</b>                |       |       |       |       |       |       |
| New claims during fiscal year         | 678   | 660   | 597   | 704   | 655   | 321   |
| Total active cases at end of year     | 896   | 686   | 627   | 664   | 651   | 628   |
| Total resulting in lost work time     | 485   | 595   | 539   | 530   | 601   | 596   |
| New cases resulting in lost work time | 240   | 231   | 190   | 234   | 218   | 131   |
| Average days lost per closed claim    | 8     | 8     | 8     | 3     | 10    | 2     |
| Average duration of active cases      | 164   | 159   | 145   | 143   | 118   | 122   |
| <b>Cost</b>                           |       |       |       |       |       |       |
| Total cost (in thousands of dollars)  | 3,799 | 4,692 | 4,234 | 4,213 | 6,050 | 3,901 |
| Projected cost per \$100 of payroll   | 5.68  | 6.36  | 7.05  | 6.48  | 5.54  | 6.40  |



\* Data for FY09 is as of 12/31/2008.

# Montgomery County Fire and Rescue Service: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 321  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$3,901k



# Montgomery County Police Department: Safety and Risk Management Practices

- **Primary types of injuries**
  - Strains/pulls
  - Back injuries
  - Knee injuries
- **Root causes of worker's compensation injuries**
  - Vehicle collisions
  - Struggle/confrontation with suspects
  - Physical nature of work
- **Current safety practices**
  - Driver training and collision review committee
  - Monthly claim review meetings
  - Safety Committee consisting of Management and Bargaining Unit Members
  - Periodic training for supervisors



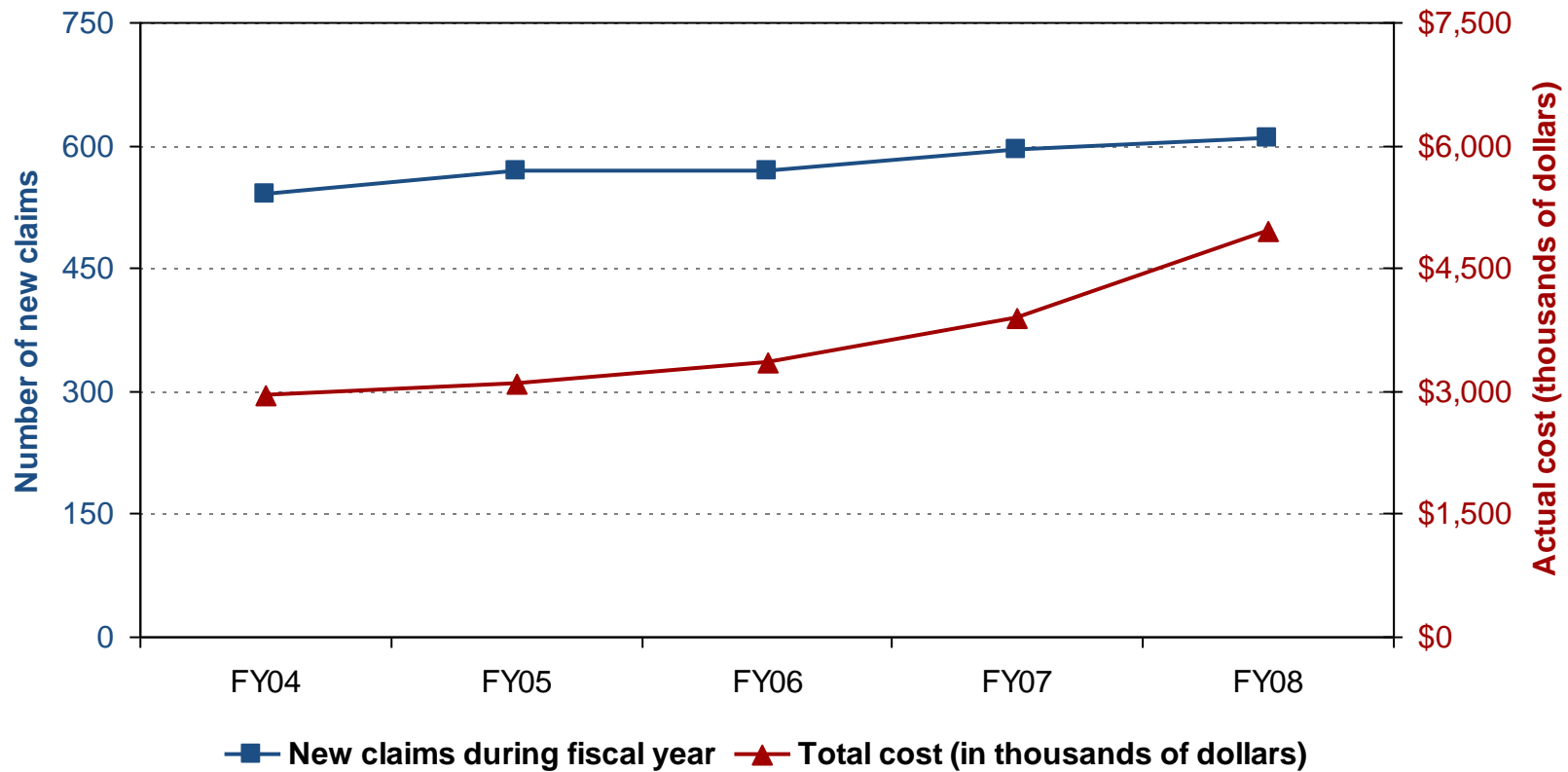
# Montgomery County Police Department: Baseline Data

|                                       | FY04  | FY05  | FY06  | FY07  | FY08  | FY09  |
|---------------------------------------|-------|-------|-------|-------|-------|-------|
| <b>Number of cases</b>                |       |       |       |       |       |       |
| New claims during fiscal year         | 540   | 568   | 569   | 595   | 609   | 253   |
| Total active cases at end of year     | 676   | 500   | 517   | 461   | 608   | 541   |
| Total resulting in lost work time     | 352   | 426   | 435   | 344   | 516   | 503   |
| New cases resulting in lost work time | 141   | 136   | 157   | 153   | 195   | 78    |
| Average days lost per closed claim    | 4     | 8     | 2     | 3     | 4     | 7     |
| Average duration of active cases      | 182   | 160   | 155   | 141   | 146   | 148   |
| <b>Cost</b>                           |       |       |       |       |       |       |
| Total cost (in thousands of dollars)  | 2,941 | 3,095 | 3,347 | 3,898 | 4,945 | 2,611 |
| Projected cost per \$100 of payroll   | 2.93  | 3.35  | 4.23  | 3.91  | 3.70  | 4.59  |



\* Data for FY09 is as of 12/31/2008.

# Montgomery County Police Department: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 253  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$2,611k



# Department of General Services: Safety and Risk Management Practices

- **Primary types of injuries**
  - 44% Strains and pulled muscles
  - 36% Injured on equipment
  - 9% Slips, trips, and falls
  - 8% Blood/Bodily fluids
  - 3% Burns
- **Root causes of worker's compensation injuries**
  - Working in an industrial type setting
  - Heavy lifting, pulling, pushing
- **Current safety practices**
  - Monthly Safety Meeting
  - Standard Operating Procedures
  - Safety Committee consisting of Management and Bargaining Unit Members





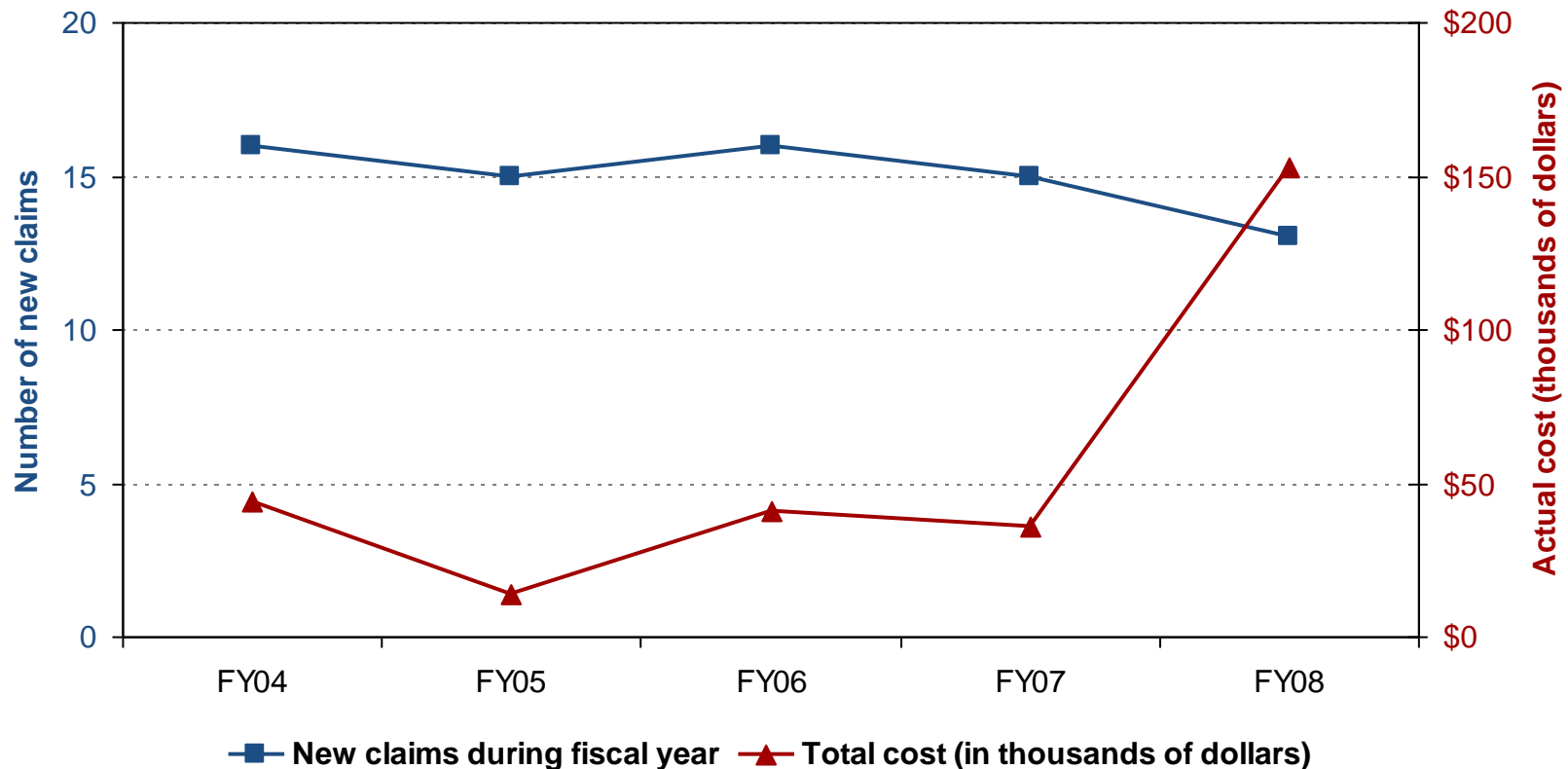
# Department of General Services: Baseline Data

|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---------------------------------------|------|------|------|------|------|------|
| <b>Number of cases</b>                |      |      |      |      |      |      |
| New claims during fiscal year         | 16   | 15   | 16   | 15   | 13   | 8    |
| Total active cases at end of year     | 19   | 15   | 12   | 9    | 17   | 5    |
| Total resulting in lost work time     | 10   | 9    | 7    | 5    | 5    | 2    |
| New cases resulting in lost work time | 5    | 0    | 5    | 4    | 2    | 0    |
| Average days lost per closed claim    | 10   | 8    | 1    | 5    | 13   | 0    |
| Average duration of active cases      | 145  | 118  | 156  | 78   | 125  | 100  |
| <b>Cost</b>                           |      |      |      |      |      |      |
| Total cost (in thousands of dollars)  | 44   | 14   | 41   | 36   | 153  | 24   |
| Projected cost per \$100 of payroll   |      |      |      |      |      | 3.21 |



\* Data for FY09 is as of 12/31/2008.

## Department of General Services: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 82  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$24k



# Department of General Services: Fleet

## Baseline Data

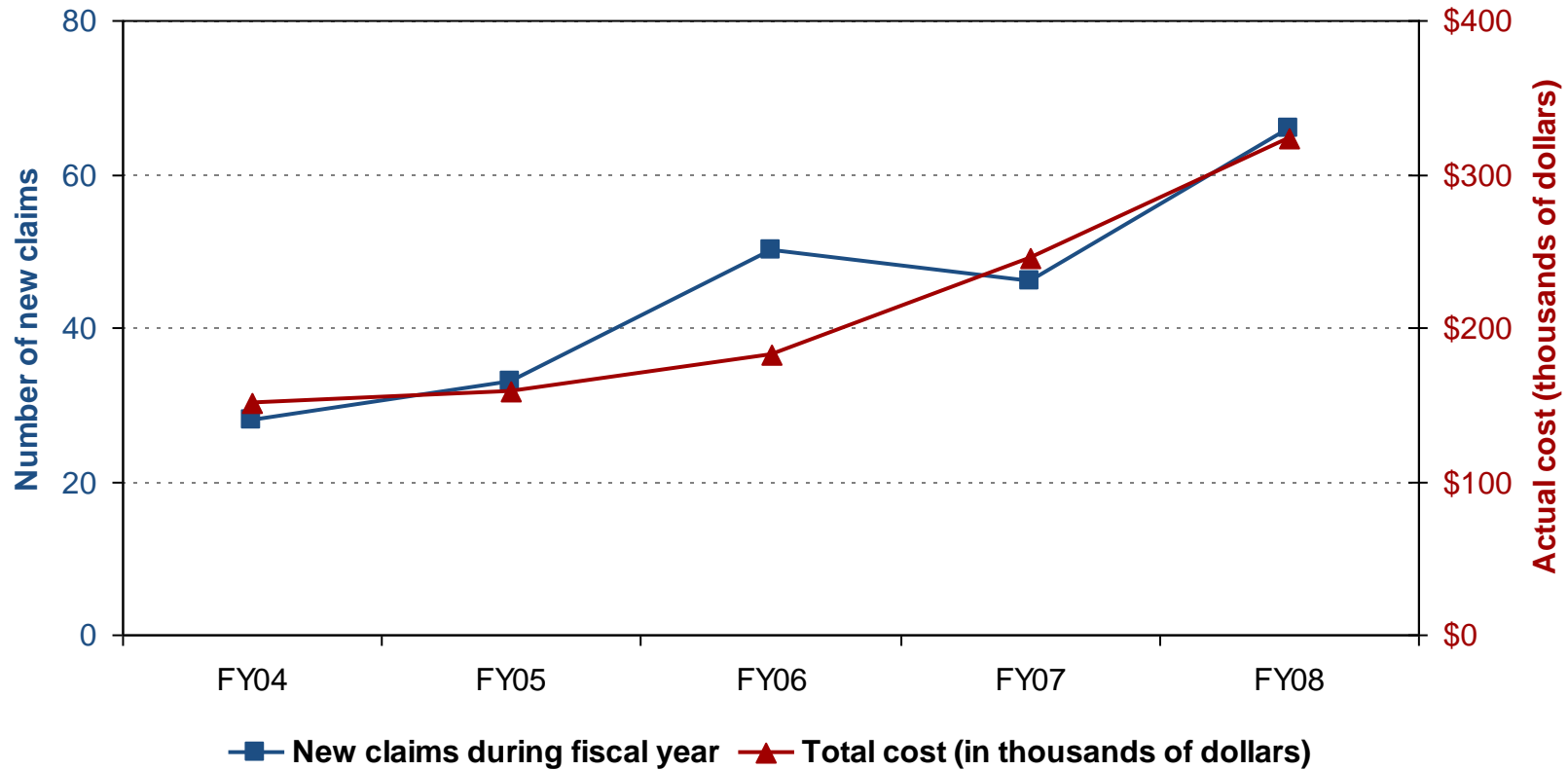
|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---------------------------------------|------|------|------|------|------|------|
| <b>Number of cases</b>                |      |      |      |      |      |      |
| New claims during fiscal year         | 28   | 33   | 50   | 46   | 66   | 44   |
| Total active cases at end of year     | 27   | 35   | 23   | 32   | 24   | 26   |
| Total resulting in lost work time     | 15   | 26   | 12   | 17   | 31   | 20   |
| New cases resulting in lost work time | 10   | 13   | 10   | 16   | 14   | 11   |
| Average days lost per closed claim    | 9    | 8    | 7    | 3    | 7    | 10   |
| Average duration of active cases      | 210  | 189  | 141  | 121  | 96   | 106  |
| <b>Cost</b>                           |      |      |      |      |      |      |
| Total cost (in thousands of dollars)  | 151  | 158  | 182  | 245  | 323  | 130  |
| Projected cost per \$100 of payroll   |      |      |      |      |      | 3.21 |



\* Data for FY09 is as of 12/31/2008.

# Department of General Services: Fleet

## Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 44  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$130k



# Department of Transportation: Safety and Risk Management Practices

- **Primary types of injuries**
  - Slips, trips, and falls
  - Collisions (Bus Operators)
- **Root causes of worker's compensation injuries**
  - Physical nature of work
  - Construction zones
- **Current safety practices**
  - TRANSIT:
    - New driver training in full compliance with Federal DOT
    - Accident Review Committee
    - Driver re-training for poor performance
      - Accidents, observations
      - Live course and simulator



# Department of Transportation: Safety and Risk Management Practices

## ▪ Current safety practices

### – OTHER DOT:

- Full compliance with MOSH and Federal DOT
- Training on Manual on Uniform Traffic Control Devices (governs safety in “work zone traffic controls” such as lane closures, road closures, etc.)
- Over 200 employees have received MOSH certification training (10 hours) in the last 12 months
- Regular crew-level meetings on safety
- Regular safety reviews of Depots
- Developing an Accident Review Committee with Risk Management
- Full provision of safety equipment
- Employees’ trained in aspects of DOT regulations
- Employees required to undergo random drug and alcohol screening



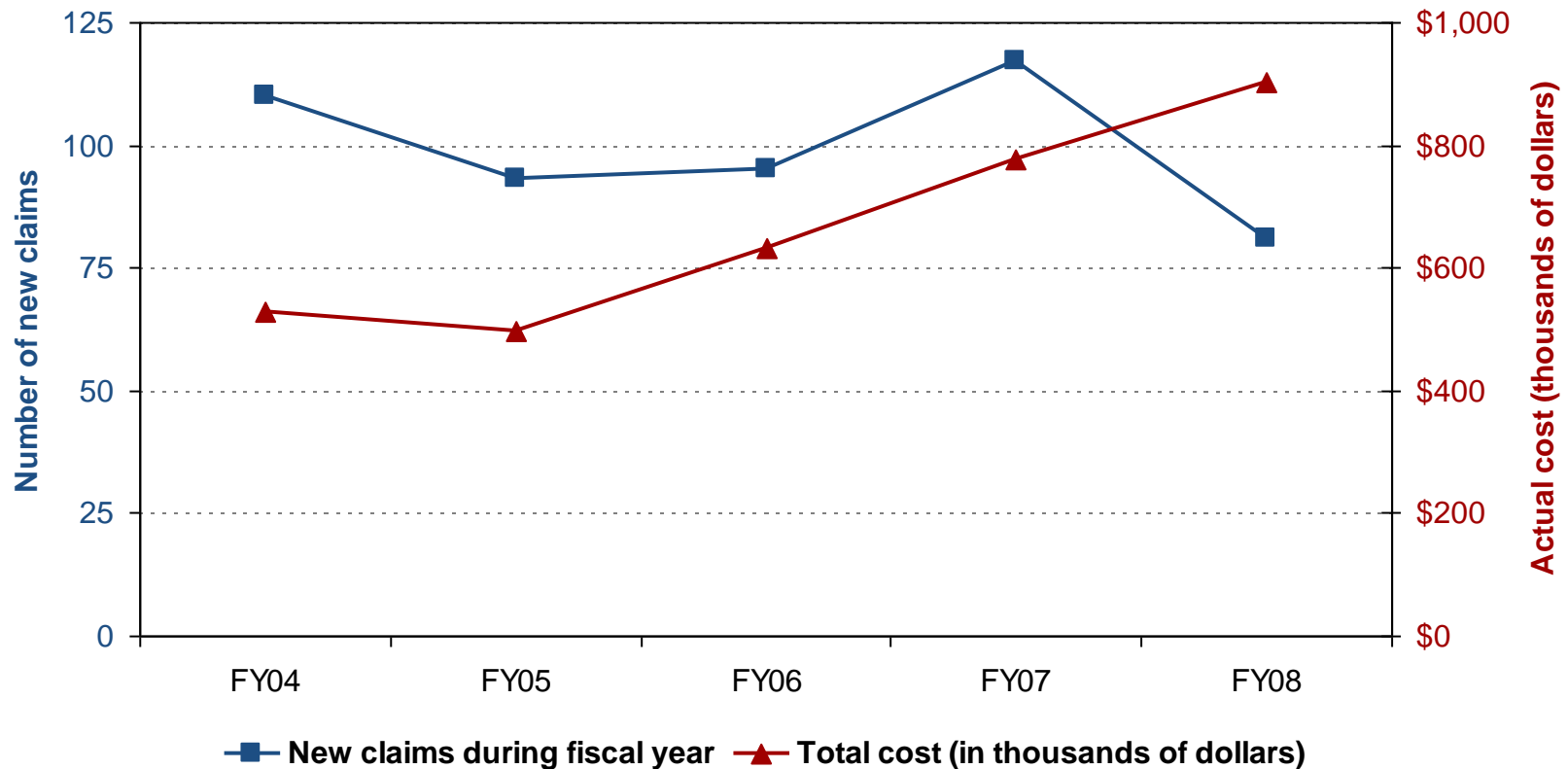
# Department of Transportation: Baseline Data

|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---------------------------------------|------|------|------|------|------|------|
| <b>Number of cases</b>                |      |      |      |      |      |      |
| New claims during fiscal year         | 110  | 93   | 95   | 117  | 81   | 35   |
| Total active cases at end of year     | 120  | 130  | 104  | 92   | 59   | 61   |
| Total resulting in lost work time     | 69   | 81   | 76   | 76   | 59   | 59   |
| New cases resulting in lost work time | 33   | 24   | 44   | 37   | 35   | 15   |
| Average days lost per closed claim    | 7    | 6    | 6    | 19   | 13   | 9    |
| Average duration of active cases      | 158  | 163  | 148  | 209  | 119  | 144  |
| <b>Cost</b>                           |      |      |      |      |      |      |
| Total cost (in thousands of dollars)  | 529  | 498  | 633  | 776  | 903  | 407  |
| Projected cost per \$100 of payroll   | 1.74 | 1.80 | 2.20 | 2.28 | 2.48 | 3.21 |



\* Data for FY09 is as of 12/31/2008.

## Department of Transportation: Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 35  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$407k





# Department of Transportation: Transit

## Baseline Data

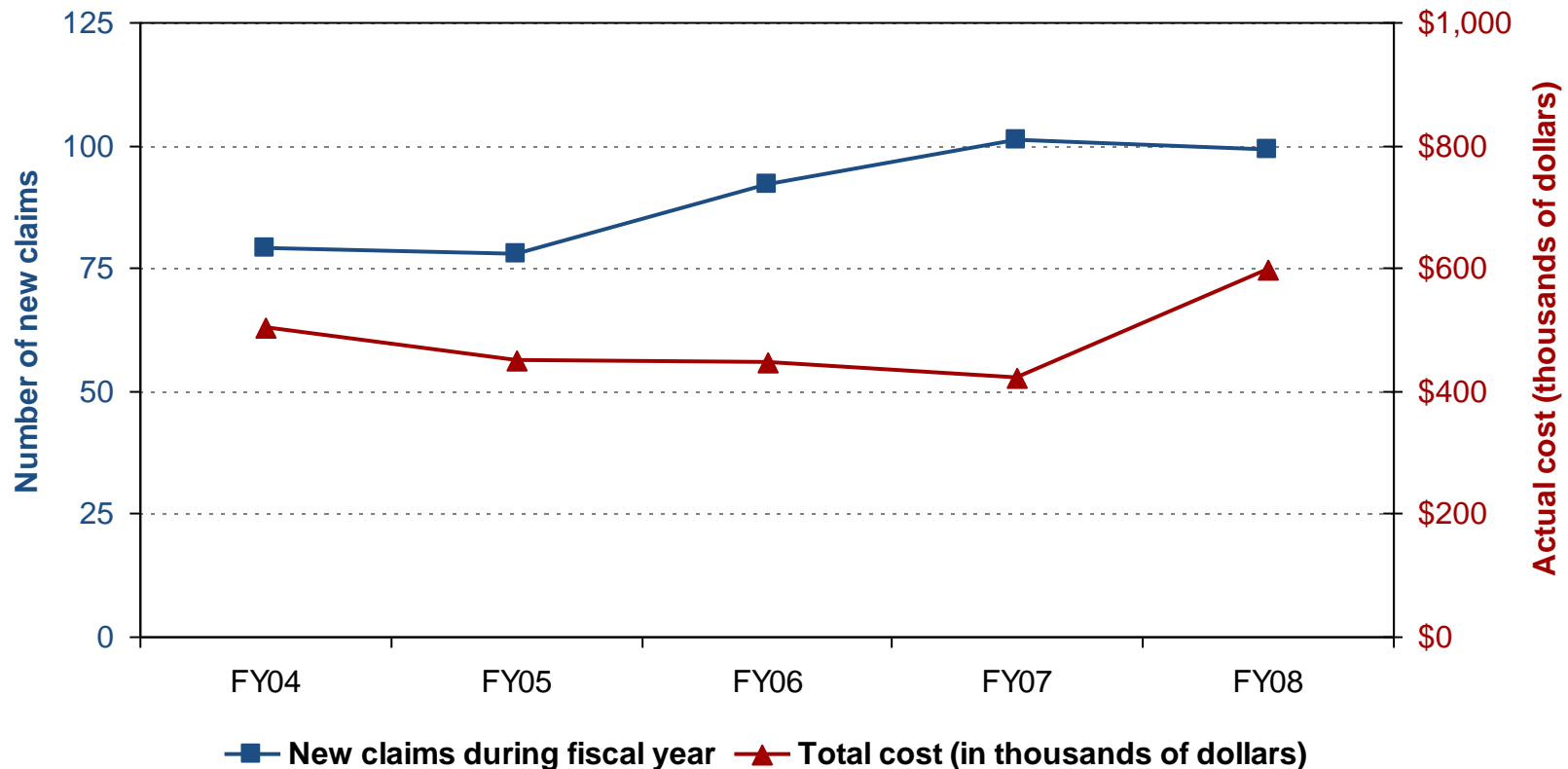
|                                       | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---------------------------------------|------|------|------|------|------|------|
| <b>Number of cases</b>                |      |      |      |      |      |      |
| New claims during fiscal year         | 79   | 78   | 92   | 101  | 99   | 54   |
| Total active cases at end of year     | 115  | 112  | 86   | 89   | 92   | 88   |
| Total resulting in lost work time     | 80   | 76   | 67   | 61   | 75   | 80   |
| New cases resulting in lost work time | 28   | 24   | 28   | 33   | 43   | 29   |
| Average days lost per closed claim    | 17   | 8    | 10   | 9    | 20   | 7    |
| Average duration of active cases      | 156  | 169  | 131  | 160  | 115  | 128  |
| <b>Cost</b>                           |      |      |      |      |      |      |
| Total cost (in thousands of dollars)  | 503  | 451  | 448  | 420  | 599  | 435  |
| Projected cost per \$100 of payroll   | 1.74 | 1.80 | 2.20 | 2.28 | 2.48 | 3.21 |



\* Data for FY09 is as of 12/31/2008.

# Department of Transportation: Transit

## Number of New Cases and Actual Cost



So far in FY09 (Q1 and Q2), the number of new claims was: 54  
So far in FY09 (Q1 and Q2), the total cost of claims paid was: \$435k



# Strategies for Reducing Worker's Compensation Risk Management

## ▪ Controlling the number of cases

- Identify what kind accidents are causing injuries and develop formal mitigation strategies
- Specifically delegate responsibility for safety to managers and supervisors
  - Include measurable safety goals in performance plans
  - Include safety training requirements for managers and supervisors

Trends for worker's compensation cases should be lower – most injuries are preventable.



# Most Common Injuries Across Departments

| Accident Type*                |     | Nature of Loss                 |     | Part of Body        |     |
|-------------------------------|-----|--------------------------------|-----|---------------------|-----|
| Type                          | %   | Type                           | %   | Type                | %   |
| Slip, trip or fall-same level | 18% | Strain                         | 49% | Back, lower         | 37% |
| Exertion - pulling or pushing | 10% | Sprain                         | 26% | Multiple body parts | 35% |
| Exertion - lifting            | 9%  | Contusion, bruise              | 14% | Knees               | 10% |
| Multiple vehicle collision    | 7%  | Contusion                      | 3%  | Shoulders           | 9%  |
| Alleged assault               | 4%  | Torn cartilage/ligament/tendon | 3%  | Heart               | 4%  |

*\* 42% of accident types are coded as "Not Otherwise Classified" due to errors in classification by the former claims service (prior to FY07). This list shows the five most common classified accident types.*



# Strategies for Reducing Worker's Compensation Office of the County Attorney

## ▪ Controlling cost of cases

- Continued collaboration between claims representatives and the Office of the County Attorney during adjustment of claims
- Continued aggressive prosecution of cases before the Worker's Compensation Commission
- More aggressive participation in the legislative process.
- Cooperation with other entities with similar interests like MSIECA, MDC, and MACo.
- Increase staffing in the OCA and the Claims Service
- Upper Management increase support of middle managers with the claim's process (perhaps revision of Public Safety General Orders regarding claims reporting and processing)
- Increase Temporary Modified Duty Opportunities throughout program.
- Dedicate more time to strategic planning
- Lobby legislature to audit more closely the Maryland Worker's Compensation Commission's stance on fraud. It has made only 9 referrals for fraud in fiscal year 2008 for the entire state.



# Tracking Our Progress

- **Meeting Goal: Establish baseline performance with respect to worker's compensation and identify performance goals**
- **How will we measure success**
  - Reduced number of new cases being filed
  - Reduced cost for cases that are filed



# Wrap-Up

- **Follow-Up Items**
- **Date of next meeting**

